

PUBLIC LAW 104-191—AUG.
21, 1996

110 STAT.
2103

Subtitle C—Repeal of Financial
Institution
Transition Rule to Interest
Allocation
Rules

SEC. 521. REPEAL OF FINANCIAL INSTITUTION TRANSITION
RULE TO
INTEREST ALLOCATION RULES.

(a) IN GENERAL.—Paragraph (5) of section 1215(c) of
the Tax
Reform Act of 1986 (Public Law 99-514, 100 Stat. 2548) is
hereby 26 USC 864 note,
repealed.

(b) EFFECTIVE DATE.—
26 USC 864 note.

(1) IN GENERAL.—The amendment made by this
section
shall apply to taxable years beginning after December
31, 1995.

(2) SPECIAL RULE.—In the case of the first
taxable year
beginning after December 31, 1995, the pre-effective
date por-
tion of the interest expense of the corporation
referred to in
such paragraph (5) of such section 1215(c) for such
taxable
year shall be allocated and apportioned without regard
to such
amendment. For purposes of the preceding sentence,
the pre-
effective date portion is the amount which bears the
same
ratio to the interest expense for such taxable year
as the
number of days during such taxable year before the
date of
the enactment of this Act bears to 366.

Approved August 21, 1996.

LEGISLATIVE HISTORY—H.R. 3103 (S. 1028) (S. 1698):
HOUSE REPORTS: Nos. 104-496, Pt. 1 (Comm. on Ways and Means)
and 104-736
(Comm. of Conference).

SENATE REPORTS: No. 104-156 accompanying S. 1028 (Comm. on Labor and

Human Resources)

CONGRESSIONAL RECORD, Vol. 142 (1996):

Mar. 28, considered and passed House.

Apr. 18, 23, considered and passed Senate, amended, in lieu of S. 1028.

Aug. 1. House agreed to conference report.

Aug. 2. Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 32

(1996):

Aug. 21, Presidential remarks and statement.